## Message Text

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**ACTION EB-07** 

INFO OCT-01 ARA-06 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00

DOTE-00 INR-07 NSAE-00 FAA-00 SS-15 NSC-05 L-02 SSO-00

NSCE-00 INRE-00 /045 W

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O 241848Z MAY 75 FM AMEMBASSY LIMA TO SECSTATE WASHDC IMMEDIATE 5292

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E.O. 11652 N/A

TAGS: EAIR, PE

SUBJECT: CIVAIR DISPUTE WITH PERU

REF: STATE 121309

- 1. FOLLOWING A MORNING OF TENIS TODAY, (MAY 24) AT LAS PALMAS AIR FORCE BASE ON OUTSKIRTS OF LIMA WITH AIR MINISTER GILARDI AND OTHER FAP GENERALS, GILARDI AND I DISCUSSED BRANIFF AEROPERU PROBLEM OVER COKES. AFTER REVIEWING THE BIDDING RELATED TO RECENT NEGOTIATIONS I CONVINCED GILARDI THAT NEITHER BRANIFF NOR WE SAW ANY FUTURE IN FURTHER AIRLINE TALKS AND THAT THERE WOULD BE NO RESPONSE TO AEROPERU LETTER TABLED AT FINAL MEETING OF APRIL 28.
- 2. I THEN INFORMED GILARDI OF PRESIDENTIAL LETTER TO CAB OF MAY
  23 AND (IN GENERAL TERMS) OF CONTENTS OF NOTE I WOULD DELIVER TO
  TO FONOF NEXT TUESDAY, MAY 27 SIMULTANEOUSLY WITH CAB NOTICE OF
  RESTRICTIONS TO BE PLACED ON AEROPERU'S OPERATIONS IN U.S. IN 30
  DAYS. I EMPHASIZED OUR CONTINUING DESIRE TO FIND A NEGOTIATED
  SOLUTION AND TOLD GILARDI THAT OUR NOTE WOULD BE AN INVITATION TO
  THE GOP TO RENEW GOVERNMENT-TO-GOVERNMENT NEGOTIATIONS IN WASHINGTON
  AS SOON AS CONVENIENT.

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3. GILARDI SAID HIS GOVERNMENT ALSO DESIRED FIND NEGOTIATED

SOLUTION AND WOULD ACCEPT OUR INVITATION. HE ADDED THAT HE WAS CONFIDENT A SOLUTION WOULD BE FOUND NOW THAT THE MATTER WAS ABOUT TO BE RAISED FROM THE TECHNICAL TO THE POLITICAL LEVEL. WE DISCUSSED THE RELATIVELY SMALL MARGIN BETWEEN THE FINAL AIRLINE POSITIONS AT WHICH POINT, HOWEVER, I EMPHASIZED THE IMPORTANCE TO BRANIFF'S OPERATIONS OF A THREE-YEAR PERMIT (AS WE HAVE GIVEN AEROPERU) OF ITS TRADITIONAL SERVICE TO BRAZIL. I DESCRIBED TO GILARDI SOME OF THE PROBLEMS PERUVIAN AND FOREIGNA BUSINESSMEN ARE NOW EXPERIENCING IN TRAVEL BETWEEN HERE AND BRAZIL UNDER CURRENT RESTRICTIONS. I POINTED TO THE POTENTIAL VALUE OF AEROPERU'S ROUTES TO LOS ANGELES, MIAMI, WASHINGTON AND HOPEFULLY NEW YORK WHICH, WHEN PROPERLY DEVELOPED, COULD MORE THAN BALANCE OUT THE VALUE OF BRANIFF'S FIFTH FREEDOM TRAFFIC TO BRAZIL AND ARGENTINA.

- 4. GILARDI SAID HE WAS NOT VERY HOPEFUL THAT AEROPERU WOULD EVER OPERATE IN THE BLACK. I SAID I SAW NO REASON WHY IT COULD NOT DO SO WITH CAREFUL MANAGEMENT OVER A PERIOD OF TIME AND I POINTED TO THE SUCCESS STORIES OF OTHER LATIN AMERICAN AIRLINES WHICH IN SEVERAL CASES THROUGH GOOD MANAGEMENT AND SERVICE HAVE COME TO EXCEED THE FREQUENCIES OF THE U.S. DESIGNATED CARRIER BETWEEN THEIR CAPITAL CITIES AND THE U.S.
- 5. COMMENT: MY RELATIONSHIP WITH GILARDI IS A VERY CORDIAL ONE. AT THE SAME TIME HE IS SAID TO BE THE KING-PIN BEHIND AEROPERU. THE EQUINIMITY WITH WHICH HE RECEIVED THE NEWS OF THE FORTHCOMING CAB ORDER, HIS WILLINGNESS TO MOVE TO GOVERNMENT-TO-GOVERNMENT NEGOTIATIONS, AND HIS OPTIMISM (ALMOST ASSURANCES) WITH REGARD TO THE CHANCES OF SUCCESSFUL NEGOTIATIONS IN WASHINGTON ARE POSITIVE SIGNALS, INDEED. ON THE OTHER HAND, IN THIS COUNTRY, WHO KNOWS. DEAN

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## Message Attributes

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